

United States Senate
SPECIAL COMMITTEE ON AGING

***Internet Fraud Hits Seniors: As Seniors Venture into the
Web, the Financial Predators Lurk and Take Aim.***

OPENING STATEMENT OF SENATOR CRAIG

March 23, 2004

I would like to thank our witnesses for joining us today on an issue of growing national concern – The emerging use of the internet to perpetrate fraud against our nation’s senior citizens.

As seniors go “Online” in record numbers, fraud perpetrated through the Internet is dramatically on the rise. Thousands of internet fraud victims in 2002 were Senior citizens and those numbers nearly doubled in 2003.

We know that the internet offers a vast global marketplace for consumers and businesses alike. Unfortunately, scam artists also recognize the potential of the internet for criminal enterprises. The same scams that were once conducted by mail and phone are now easily perpetrated through the internet, and new scams emerge every day. Criminals know that they can commit fraud “Online” in a faster and more cost effective way. They also know it’s harder to get caught.

Therefore, to effectively fight this crime, it is critical that state and federal law enforcement agencies work closely together. In cases of internet fraud committed across borders, it is important for domestic law enforcement to work effectively with their foreign counterparts.

I commend all the federal agencies here today for their efforts to combat this crime. I note the DOJ's current "aggressive" nationwide sweep to prosecute individuals engaged in internet fraud, including those targeting the elderly.

In addition, I am pleased to announce a new Public Awareness Initiative through this Committee, with federal agency partners, to educate the senior population on the new dangers of Internet fraud. The FTC is our lead partner in this effort.

In conclusion, I also urge the law enforcement agencies represented here today to be on the alert for "Online" fraud related to the new Medicare Prescription Drug Discount Card program that this Committee reviewed two weeks ago. Although no internet fraud reports have been reported as of yet, we must remain ever alert to new avenues of criminal activity.